

**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**

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**ADP BULLETIN**

Title <b>Update to Audit Assistance Guide</b>		Issue Date: 5-19-99 Expiration Date:	Issue No.  99-17
Deputy Director Approval  Ann Horn, Acting Deputy Director Division of Administration	Function [ ]Information Management [ ]Quality Assurance [ ]Service Delivery [X]Fiscal [ ]Administration	Supersedes Bulletin/ADP Letter No.	

**PURPOSE**

This bulletin is to provide an update to the Audit Assistance Guide (AAG), the last version of which was issued November 1, 1990. The AAG was issued primarily for the benefit of alcohol and drug treatment providers. It provided a basic framework for establishing an accounting system that facilitates compliance with funding source requirements. This guidance was provided to minimize the risk of audit exceptions.

**DISCUSSION**

The Department plans to review the AAG to evaluate the need for updates and revisions. As indicated in the Introduction, the AAG was not designed to contain the laws and regulations that apply to alcohol and drug programs. However, due to the mix and complexity of current funding requirements, any future updates/revisions to the AAG found to be necessary will provide statutory and regulatory references, as appropriate.

Appendix G of the AAG (the last appendix in the current version) does contain descriptions of some requirements and restrictions specific to determining allowability of costs. While the AAG has not been updated for changes in funding requirements and restrictions, the Department has provided such authoritative criteria references through a variety of written documents, sometimes followed up with regional training sessions. The primary means of communicating these requirements have been:

- ( County Plan Guidelines through FY 1993-94.
- ( Negotiated Net Amount and Drug Medi-Cal contracts beginning with FY 1994-95.
- ( ADP Letters and Bulletins explaining and clarifying the requirements.

The Audit Services Branch (ASB) has taken the opportunity to prepare a number of ADP Letters and Bulletins to discuss various fiscal issues from an audit perspective, as well as provide input for many other letters. These letters/bulletins have normally been issued when it is perceived that there are questions and misunderstandings, as well as when significant legislative changes occur. They have become the primary means of conveying relevant information to the field regarding issues that could have audit implications.

It has come to our attention that such information has not always reached its final user. Additionally, it is possible that not all final users may have organized the information in a way that allows for easy reference.

Therefore, we are proposing that all ADP bulletins identified as AFiscal and related to accounting for costs, allowability of costs, compliance issues which could result in financial disallowances, and general information regarding requirements and restrictions related to various types of funding be contained in an appendix of the AAG. The compilation of documents should be labeled "[Appendix H](#)." Enclosed is a summary document of the relevant information contained in each letter/bulletin.

In compiling these documents, we have gone back as far as ADP #95-45, issued October 16, 1995, to accumulate relevant information to include in the AAG. Due to the extensive amount of paper necessary to provide hard copy documents, we are not able to enclose all of the referenced ADP letters and bulletins. However, we have ensured that all of the bulletins are available on the Internet at <http://www.adp.cahwnet.gov>. Future ADP Bulletins which should be added to [Appendix H](#) of the AAG will contain a suggestion to that effect.

## **REFERENCES**

See Exhibits.

## **HISTORY**

See Discussion section above.

## **QUESTIONS/MAINTENANCE**

If you have questions regarding this bulletin, please contact Sima Mann at (916) 322-0862 or Mike Hori at (916) 445-5067. If you need a copy of the Audit Assistance Guide and/or are unable to access specific ADP letters/bulletins referenced in Appendix H, please contact your county representative or Renae Anub at (916) 327-6937 or Cynthia Amaya at (916) 445-7993.

**EXHIBITS**

<u>Exhibit</u>	<u>Title</u>
1	<a href="#"><u>Summary of Appendix H to Audit Assistance Guide</u></a>

**DISTRIBUTION**

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